

MOTION BY SUPERVISOR GLORIA MOLINA

May 22, 2007

On July 2, 2002, I authored a Board motion to eliminate retroactive payments for Board contracts. The Auditor-Controller (AC) informed me that the directives in that Board order were implemented, including a Board contract tracking system, and revised contract and purchase order language informing vendors they will not be paid for services rendered after contract expiration or termination.

Although there has been progress in lessening the incidence of retroactive payments, today's agenda contains a request by the Department of Mental Health to approve a retroactive payment for services. I have been concerned about the number of recent requests for Board approval of retroactive payments despite clear policies and procedures for avoiding this practice. Whether mistakenly or intentionally, accountability procedures are being bypassed exposing this County to potentially large liabilities over which this Board has no input and no control other than to give its approval after-the-fact.

While we may never completely eliminate retroactive payments, we can do better through increased training, improved management and supervision, and use of discipline for employees who willfully or negligently disregard established County policy.

MOTION

Molina	_____
Burke	_____
Knabe	_____
Antonovich	_____
Yaroslavsky	_____

THEREFORE, I MOVE THAT:

1. The CAO, Auditor Controller and ISD conduct a risk assessment within 60 days that will identify those departments vulnerable to retroactive payments, review those departments' purchasing structures, and make recommendations to improve their payment performance;
2. The CAO is charged with working with these departments to implement appropriate recommendations and report back to the Board within 120 days on progress;
3. Instruct every County department and Commission to submit to the CAO within 60 days a list of any outstanding contract or purchase order payments that will require retroactive approval by this Board;
4. Direct the CAO, in collaboration with the AC and ISD, to review all requests for retroactive contract and purchase order payments *before* they are submitted for Board approval, notify department heads and the Board of the circumstances leading to the violation of established procedures, and recommend corrective actions along with best practices;
5. Before the close of each fiscal year and prior to the adoption of the final County budget, the CAO provide a report to the Board of all retroactive payments approved by the Board for each department and all pending retroactive payments for each County department.

MJ/jp